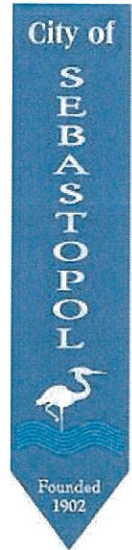


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HOUSING POLICY DEVELOPMENT, HCD

MAY 28 2008

May 22, 2008

Department of Housing and Community Development
Housing Policy Development
1800 3rd Street
Sacramento, California 95814

Re: Annual Report, City of Sebastopol

Dear Housing Policy Development:

Transmitted herein is the annual report on implementation of the Housing Element of the City of Sebastopol.

Our Housing Element set forth an ambitious set of programs. We have made major progress, particularly in adopting comprehensive revisions to our Zoning Ordinance to facilitate housing development, adopting a non-residential development housing linkage fee, approving projects with affordable inclusionary housing units, and purchasing two sites for affordable housing projects and selecting proposed developers for those projects, and assisting in the purchase of a third site for a substantial affordable housing development. With limited resources and a wide range of demands on City resources, some efforts have and will take longer to address than originally contemplated, however we have made substantial progress, and will continue these efforts in the coming year.

Key accomplishments in the last year include the commencement of construction on two City-sponsored affordable housing projects, where the City Community Development Agency purchased sites to be developed by affordable housing developers. Affordable Housing Associates is in construction of a 45-unit affordable co-housing rental development on the Petaluma Avenue site; Burbank Housing is in construction of a 20-unit affordable co-housing ownership development on the Covert Lane site. In addition, the Agency has made a \$300,000 loan commitment to Burbank Housing to assist in the purchase of a site on Gravenstein Highway South for a planned self-help ownership housing development, to be

approximately 34 units. This project is currently in the Planning review process, and is hoped to have obtained all discretionary approvals this year. In addition, the City recently adopted revised parking regulations that are expected to reduce barriers to second dwellings and other residential unit construction. Other accomplishments include commencement of construction of a City-approved subdivision to create two affordable housing units being built by Habitat for Humanity. In a prior year, the City approved a subdivision with two affordable housing units in it, and also approved an annexation project that will have three affordable housing units in it, two of which will be built by Habitat for Humanity. Construction of these projects has not begun.

Regarding housing production, we have updated a table from our Housing Element to convey progress on housing development:

- Updated Housing Element Table II.4, attached
- Updated Housing Element Table IV.2, attached

These tables illustrate Sebastopol's substantial progress in addressing housing production, both in regards to projects under construction, as well as several that are or will be going through the permit process this year, although of course it is not yet known if all the pending projects will actually go forward. In addition, the City has continued work on a new Specific Plan, the Northeast Area Specific Plan, that is expected to include allowances for housing development. We hope for this Plan to be adopted later this year.

The City plans to commence the required Housing Element update this year. We are currently in the process of selecting a consultant.

Regarding progress on Housing Element programs, see below:

1. **Residential Land Supply.** The City shall monitor the supply of residential land to ensure sufficient developable land is planned and zoned for single family and multi-family residential development to achieve the objective of appropriate densities and integrated neighborhood design and to meet the overall projected housing needs for the planning period extending through June 2006. **Status: Ongoing.**
2. **Multi-family Housing Sites.** The Zoning Ordinance shall accommodate development of additional multi-family housing units at densities that would facilitate production of housing affordable to very low- and low-income households. If, at any time, the supply of sites zoned for multi-family housing, including sites zoned for mixed-use high-density residential/commercial uses located within the CD District, falls below the quantity of land required to accommodate the lower of: (a) projected demand for multi-family sites through the remainder of the Housing Element planning period, or (b) the City's remaining need for sites to accommodate higher density multi-family housing during the Housing Element planning period, the Planning Department shall report these findings to the City Council and Planning Commission, and the City shall

identify actions to address the identified need, such as rezonings or annexations within its Urban Growth Limit to provide additional development opportunities. **Status: Ongoing; no need at this time for rezoning to address needs.**

3. **Increase the Amount of Residential Land.** As part of the implementation of the Housing Element, the City shall amend the General Plan Map and Zoning Map as appropriate to facilitate rezoning of specific properties to residential or higher density residential provided such rezoning results in a density that is harmonious with the existing neighborhood. **Status: Other planning projects, including work on processing both market-rate and affordable housing projects, have delayed start of work on this program. Will be reevaluated in next Housing Element update.**
4. **Capital Improvement Program.** The City shall implement a five-year Capital Improvement Program to guide development of public facilities required by new residential demand and to improve existing facilities in need of upgrading. **Status: Ongoing (typically adopted and implemented annually).**
5. **Fee Deferrals.** The City shall adopt a policy of deferring payment of impact fees until housing units are sold or ready for occupancy, or for rentals, until permanent financing closes, as a means of providing assistance to developers of affordable housing. **Status: The City addressed this issue in two Development and Disposition Agreements with two affordable housing developers in 2006. This may serve as a model for potential general policy provisions.**
6. **Coordination with School District.** The City shall refer all residential development proposals involving five or more units to the Sebastopol Union School District to ensure development of sufficient school space to house new school children due to projected new residential demand. **Status: Ongoing.**
7. **Coordinate with the Sonoma County Housing Authority.** The City shall establish agreements as needed with the Sonoma County Housing Authority or another suitable organization to administer affordable housing programs within the City. **Status: Ongoing.**
8. **Information on Available Sites.** The City shall assist interested residential developers by maintaining an inventory of sites in the City that are readily or already served by required infrastructure. **Status: Table showing inventory in Housing Element, on City web site.**

9. **Inclusionary Zoning Ordinance.** The City shall maintain an Inclusionary Zoning Ordinance that includes the following major features: 1) a 20% inclusionary percentage requirement; 2) a three unit applicability threshold; 3) a preference for on-site provision of required inclusionary units, but allowing in-lieu fees for fractional unit requirements; 4) target the 80% of median income level for inclusionary units; 4) maintain long-term deed restrictions on inclusionary units; and 5) regular review of the adequacy of the in-lieu fee amount. The provisions of the ordinance shall be periodically reviewed. **Status: Revised ordinance and fees consistent with Element adopted; an update of inclusionary housing in-lieu fees was completed in 2006, and possible revision of the inclusionary percentage and other program elements to be considered in Housing Element update.**
10. **Housing Density Bonus Ordinance.** The City shall continue to implement its Housing Density Bonus Ordinance and review its provisions and administration for consistency with State law. Develop a brochure for potential developers that summarizes both the State and local density bonus provisions. **Status: Revised inclusionary ordinance included then-current density bonus provisions, however a State law will require amendment of these provisions, which is planned following the upcoming Housing Element update.**
11. **Zoning Ordinance.** With respect to zoning, the City shall:
- a. Continue to permit manufactured housing in the residentially zoned districts of the City, consistent with the standards of the Zoning Ordinance;
 - b. Allow three-story height in the CD zone for deed-restricted affordable housing projects and allow a three-story, 40-foot height limit with appropriate setbacks in the CG, CH, CO and O zones with approval of a Use Permit for deed-restricted affordable housing projects;
 - c. Develop standards and use allowances for single room occupancy housing, and consider permitting it in those zones where multi-family uses are allowed;
 - d. Create a Mobile Home Park Overlay District to promote preservation of this type of housing;
 - e. Continue to allow and promote mixed use development in the City's non-residential districts that currently allow residential development in a mixed-use format in every one of the City's non-residential districts, and

- f. Create an affordable housing overlay district that would allow a minimum density by right in medium and high-density residential and non-residential districts.

Status: Comprehensive revisions to Zoning Ordinance pursuant to Housing Element accomplished and adopted 2004.

12. **Maintain a Planned Community (PC) Overlay Zoning District.** The City shall maintain the PC Overlay Zoning District for housing developments substantially meeting the goals of this Element that require modification of the Zoning and Subdivision Ordinances. This overlay zoning district would permit flexibility in meeting Zoning and Subdivision Ordinance requirements regarding setbacks, yards, covered parking, lot sizes, etc. provided that the proposed housing: meets the City's urban design criteria; generates no significant adverse traffic or other environmental impacts; meets identified housing objectives, and is found to enhance and harmoniously complement the surrounding residential neighborhood. **Status: PC zoning maintained in Zoning Ordinance.**
13. **Growth Management Exemption for Affordable Housing Projects.** The City shall maintain exemption from the Growth Management Ordinance for housing projects affordable to lower and median-income households. **Status: Exemption maintained.**
14. **Development Agreements.** Where appropriate, the City shall use development agreements to assist housing developers to comply with affordable housing goals. **Status: Ability to use development agreements maintained.**
15. **Planning Assistance to Affordable Housing Developers and Developers Addressing Other Special Needs.** The City shall work with developers of affordable housing and housing for special needs groups to plan and develop housing projects that will be an asset to the community. Such work may include, but not be limited to, design review workshops, providing site location assistance, and assisting in the procurement of funding. **Status: Ongoing; City purchased two sites for affordable housing and provided significant subsidies to the developers; will consider similar subsidies for other affordable projects. The City coordinated with both developers regarding other funding sources, has assisted facilitating in neighborhood workshops, managed subdivision approval of both projects, and is presently monitoring construction of both projects. The City Community Development Agency also made a commitment for a \$300,000 to an affordable housing developer for purchase of another affordable housing site on Gravenstein**

Highway South, facilitated preliminary review of the project concept for that site, and is currently processing a subdivision application for the project proposal.

16. **Redevelopment Housing Set-aside Funds.** The City shall continue to utilize available Community Development Housing Set-aside funds to assist affordable housing production by private and non-profit developers. **Status: City doing so. Has used such funds to purchase two sites at cost of approximately \$2.9 million, entered into a \$250,000 loan agreement with an affordable housing developer, provided up to \$350,000 in predevelopment assistance for another affordable project, committed \$300,000 to assist in purchase of an affordable housing site, will provide assistance to two Habitat for Humanity projects, and will consider other opportunities for use of these funds.**
17. **CDBG Funds.** The City shall continue to seek available Community Development Block Grant (CDBG) funds to assist affordable housing production. Currently, the funding for CDBG programs is subject to changes at the Federal level, and is competitive at the local level. Additionally, not all CDBG funds can be spent on housing assistance due to the funding needs of other programs. The City was successful in 2001 in getting a \$300,000 CDBG allocation for the affordable housing component of the Laguna Vista project; however overall project review is pending. **Status: Due to delays in permit processing the \$300,000 CDBG allocation was withdrawn; two other affordable housing projects on City-purchased sites obtained CDBG funding in 2006.**
18. **Mortgage Credit Certificate Program.** The City shall continue to participate in the Mortgage Credit Certificate (MCC) Program to provide assistance to first-time lower and moderate-income homebuyers. This program is administered by the County of Sonoma and is part of a Joint Powers Agreement between cities in Sonoma County and the County. The availability of this program should continue to be publicized locally. Credit certificate allocations at the countywide level are available to qualifying moderate or lower-income homebuyers from Sebastopol on a first-come, first-served basis. **Status: Ongoing.**
19. **Section 8 Rental Housing Subsidies.** The City shall continue working with the Sonoma County Housing Authority to make Section 8 rental housing subsidies available to qualified Sebastopol residents whenever available, and if City assistance is provided to projects, to ensure that owners do not discriminate against qualified Section 8 certificate holders. **Status: Ongoing.**

20. **Mortgage Revenue Bond Program.** The City shall explore the possibility of using mortgage revenue bond programs to help create additional affordable housing opportunities in Sebastopol. Options to consider include issuing revenue bonds on behalf of developers, or working with developers to secure mortgage revenue bond financing through the California Housing Finance Agency, ABAG, League of Cities and others. **Status: Ongoing.**
21. **Additional State and Federal Funding.** Wherever appropriate, the City shall work to secure additional funding from state and federal sources that can be used to help increase the supply of affordable housing in Sebastopol. Such programs may include, but are not limited to, the Housing Enabled by Local Partnerships Program (HELP), operated by the California Finance Agency; and the Low and No Down Payment Program sponsored by the California Housing Loan Insurance Fund (CAHLIF). Applications for these programs shall be filed when specific project opportunities are identified, which will require site control and identification of a project developer. **Status: Ongoing on project-basis. In most cases, project developers will make such applications.**
22. **Farm Worker Housing.** The City shall encourage existing agricultural employers to provide housing for their workers, and to assume primary responsibility for providing this type of housing, and work with the County of Sonoma to encourage a potential linkage fee to address this type of land use. The linkage fee would be assessed on new agricultural developments in unincorporated areas. In this way, owners of these enterprises would be required to contribute to addressing the housing needs created by new development. Establishment of such a fee would be within the control of the County of Sonoma. Within the City of Sebastopol, address the need for this type of housing through a combination of permanent and transitional housing, including affordable housing, SRO units, homeless shelters, and transitional housing. The City should work with housing developers to expand the supply of affordable housing for both migrant and resident agricultural workers. Where available, the City should cooperate with housing developers to secure additional funding for farmworker projects from sources administered by the State Department of Housing and Community Development, including the Farmworker Housing Grant Program, the State Office of Migrant Services, the federal Farmers Home Administration, the Department of the Interior, and other agencies. **Status: Ongoing.**
23. **Emergency Shelters.** The City shall 1) consider provision of financial support for area homeless facilities and consider supporting area homeless services; 2) encourage

the establishment of an emergency shelter, and if a local emergency shelter is proposed, the City shall provide assistance by expediting permit processing for any applications required under the local zoning ordinance and other appropriate means and by considering reduction of waiver of application and other fees; 3) fund a contract with a homeless services provider to monitor and assist homeless persons in Sebastopol, providing counseling and coordination of services. **Status: No shelter applications filed.**

24. **Affordability Monitoring.** The City shall study the feasibility of implementing a comprehensive annual monitoring program to determine housing affordability and income levels for all new units built. **Status: expected to be reviewed in next Housing Element update.**
25. **Jobs/Housing Linkage.** The City shall use the results of the jobs/housing nexus study undertaken by Sonoma County jurisdictions in 2001 to adopt appropriate linkage fees on non-residential development. **Status: linkage ordinance and fee adopted 2004.**
26. **Manufactured Housing.** The City shall continue existing Zoning Ordinance allowances for use of mobile homes and manufactured housing. **Status: Maintained.**
27. **Single-Family Development Standards.** The City shall consider revising single-family development standards to ensure that new development is of an appropriate scale for Sebastopol's neighborhoods. Potential changes to be considered include revising the height limit, bulk limitation standards, and modification of lot coverage and setback standards, with consideration of provisions for varying standards based on lot size. **Status: Zoning Ordinance revisions adopted.**
28. **Residential Design Guidelines.** The City shall consider creation of citywide design guidelines to promote a high quality of design, which is consistent with the character of Sebastopol. In creating these guidelines, consideration should be given to the impact of the design review standards and process on the cost of housing development. **Status: Design guidelines adopted.**
29. **State and Federal Policy.** The City shall support policies and programs at the State and Federal levels that 1) furthers the City's Housing Element goals; 2) promotes city-centered, transit-oriented, resource-conserving housing development as a matter of State and Federal policy; 3) encourages and facilitates public and private sector investment in housing affordable to low and moderate-income households, and to special needs groups such as farm workers, the homeless and the disabled; 4) provides

local property tax and personal income tax incentives for construction of housing generally, and particularly multi-family housing; and 5) addresses existing legal disincentives for construction of attached ownership housing. **Status: Ongoing.**

30. **City Employee Housing Assistance.** The City shall consider creation of a low and moderate-income home ownership loan program for its volunteer firefighters to assist in the recruitment and retention of volunteers, and if sufficient funding is available, to expand the program to other City employees. **Status: Concept expected to be reviewed in next Housing Element update.**
31. **Subdivision Ordinance Standards Modifications.** The City shall consider reductions to its minimum street, cul-de-sac, parkway, and driveway requirements and widths in relation to the desired urban form and the cost of development. **Status: Initiation of these revisions has been delayed by work on other projects; the project was initiated in 2008.**
32. **City-Owned Sites.** The City shall review City-owned sites, such as downtown parking lots, for possible use as affordable housing and mixed-use sites, provided existing parking is maintained. **Status: Preliminary review indicates most City-owned sites either not suitable or problematic; City has concentrated its efforts on securing other more suitable sites, and purchased one site of 2 acres, and another of 2.6 acres for affordable housing developments.**
33. **Accessible Units for the Physically Disabled.** The City shall conform to Federal and State laws requiring construction of housing units adaptable for disabled persons and shall provide information to builders on universal design guidelines, and consider incentives for the provision of universal design in all housing units. **Status: Ongoing.**
34. **Incentives for Units for Large Families.** The City shall include incentives for the construction of affordable for sale and/or rental housing units with three or more bedrooms for large families with very-low to moderate-incomes in the Density Bonus provisions of the Zoning Ordinance. **Status: Reduced parking requirements for larger units adopted in Zoning Ordinance; other incentives available in density bonus ordinance.**
35. **Provision of Units for Special Needs Populations.** The City shall work with affordable housing developers to encourage housing units and housing developments which address special needs populations, including but not limited to the homeless, elderly, physically disabled, mentally-ill, large family, female-headed, and farmworker

households. **Status: Provision of such units will be sought in City-sponsored affordable housing projects.**

36. **Housing Funds.** The City shall maintain the Inclusionary Housing Fund and the Community Development Agency Low-Moderate Housing Fund. Contributions to these funds come from Community Development Agency Set-Aside funds and funds collected from private and public sources. Use of the Housing Funds will be governed by guidelines established in the Zoning Ordinance and the Redevelopment Agency regulations, as applicable. Establish a five-year housing program for the City. **Status: Funds maintained.**
37. **Community Development Agency.** The Community Development Agency shall continue to use its unique powers to actively encourage the development of affordable housing by providing technical and financial assistance to reduce the cost of housing. **Status: Ongoing.**
38. **Maintain adequate staff.** The City shall maintain adequate staff in the Planning Department to process and review housing development applications in a timely manner, and to seek out grants for affordable housing projects. **Status: Staffing maintained.**
39. **Limited Equity Cooperatives.** The City shall seek sponsors to utilize State funds to develop a limited equity cooperative [LEC]. Specific City actions to achieve this objective include: assessing the viability and process of establishing an LEC; make such information available at the Planning Department; seek cooperation and support for this program with the Sonoma County Housing Authority and non-profit housing organizations in the area; and locate potential sites for a LEC. **Status: Affordable co-housing development to be developed at City-purchased site on Covert Lane.**
40. **Financing Units At-Risk of Market-Rate Conversion.** The City shall prevent the conversion of at-risk units by considering, as appropriate: refinancing projects financed with locally-issued mortgage revenue bond proceeds; finance buyouts by nonprofits and other public entities through equity or gap financing; advancing purchase-option funds; carrying of second mortgages; interest write-downs; and/or issuance of tax exempt bonds for financing acquisitions and other programs and policies. **Status: Ongoing.**
41. **Development on Infill Parcels.** The City shall encourage the development of infill parcels by maintaining existing Zoning Ordinance allowances for infill development;

not reducing allowed densities, and maintaining a public list of vacant or underutilized properties. **Status: Ongoing.**

42. Non-Residential Height Limits. The City shall review height limits in non-residential zones to ensure compatibility with adjacent residential zones. **Status: Revisions adopted in Zoning Ordinance.**

43. Housing Project Information Sheet. The City shall develop an information sheet describing the City's affordable housing needs and general objectives and include it in the public noticing for project hearings. **Status: Information has been included in selected project notices.**

B. Housing Conservation

1. Maintain Existing Residential Zoning. The City shall retain existing residential zoning and discourage non-residential uses in these zones. **Status: Zoning maintained.**

2. Condominium Conversions. The City shall adopt a Condominium Conversion Ordinance to regulate conversion of rental units to condominiums; consider exempting limited equity residential cooperatives which provide long term affordability for the units; require relocation assistance when units are converted; and require first right of refusal of purchase of units by occupants. **Status: Ordinance adopted by City Council 2005.**

3. Mobile Home Rent Stabilization. The City shall maintain the rent stabilization ordinance for mobile home parks. **Status: Maintained.**

4. Shared Housing Programs. The City shall encourage development of a shared housing project in Sebastopol through developing and distributing a brochure about the benefits of sharing housing, and working with potential applicants. **Status: Brochure created.**

5. Single-Parent Households. The City shall encourage housing for single-parent households in the City by working with potential developers, and through City funding and/or regulatory authority. Encourage the development of co-housing units and development on centrally located sites as ways of providing housing appropriate for single-parent households. **Status: Ongoing.**

6. **Special Needs Households.** The City shall conform with funding and any State or Federal requirements for inclusion of housing for special needs households, and shall encourage housing opportunities for special needs households with very low- to low-incomes to purchase or rent affordable housing in Sebastopol through working with potential developers, and through City funding or regulatory authority. Encourage developers to include housing appropriate for special-needs households in their projects. **Status: Ongoing.**
7. **Rental Deposit Guarantee and Revolving Loan Fund Programs.** The City shall consider establishing a Rental Deposit Guarantee and Revolving Loan Fund Program to specifically assist Sebastopol residents by preventing and reducing homelessness. Consider working with the Sonoma County Housing Authority or similar organization to implement this program. **Status: Concept expected to be reevaluated in next Housing Element update.**
1. **Housing and Mobile Home Rehabilitation Program.** Up until 2001, the Sonoma County Community Development Commission administered an ownership housing rehabilitation program in Sebastopol, using funds provided by the Sebastopol Community Development Agency. This program was discontinued due to low interest. Consideration should be given to creation of a rental housing and mobile home rehabilitation program, potentially using Community Development Block Grant (CDBG) or Community Development Agency funding. While the City is committed to obtaining funding if a rental rehabilitation program appears viable and appropriate, past applications by the City for CDBG funding of an ownership rehabilitation program were not approved. The City then used its own Community Development Agency funds to operate the former ownership rehabilitation program. An evaluation of the prospects for such a program would be undertaken in the context of other affordable housing programs and priorities, and if a determination were made that such a program should be initiated, the City would reapply for CDBG funding, or use its own Community Development funds for a rental rehabilitation program. **Status: No program currently operating; City concentrating its limited resources on new affordable housing development.**
2. **Earthquake Reinforced Bracing System Program.** The City shall give consideration to the creation of a program to install Earthquake Reinforced Bracing Systems (ERBS) to help stabilize units during an earthquake. This program would cover mobile homes and other residential units whose occupants are income eligible. This program could potentially be funded from CDBG allocations or by the Community Development Agency. **Status: Not under consideration at this time due to limited resources.**

3. **Redevelopment Neighborhood Clean-up Program.** The City Community Development Agency shall consider capital improvement projects that will improve the Redevelopment Project Area such as streetscape and circulation improvements to Gravenstein Highway South. **Status: Not under consideration at this time due to limited resources. City has supported annual ‘Rebuilding Together’ volunteer event which typically includes rehabilitation of lower-income housing.**
11. **Enforcement Actions.** The City shall continue to respond to complaints of unsafe housing and take enforcement action wherever necessary to protect the health, safety, and welfare of occupants. **Status: Ongoing.**
12. **Continuation of Fire Self-Inspection Program.** The City shall continue to support the Sebastopol Fire Department apartment self-inspection program for alarm systems, and to continue to identify and address potentially unsafe conditions in proposed new housing projects. **Status: Ongoing.**
13. **Mobile Home Park Conversion Ordinance.** The City shall create and adopt a Mobile Home Park Conversion Ordinance to limit circumstances under which existing mobile home parks may be converted to other uses. **Status: New Mobile Home Zoning district adopted.**
14. **Monitoring of Rental Unit Conversion.** The City shall monitor local trends in rental unit conversion and as necessary consider adoption of an ordinance which would regulate the conversion of existing rental units to owner-occupancy or other uses. **Status: The condominium conversion ordinance adopted in 2005 includes annual limits on conversions related to rental housing production. Will continue to monitor.**
15. **Monitoring of Assisted Housing Developments.** The City shall monitor the affordability status of publicly assisted housing developments in Sebastopol to ensure wherever possible that qualifying moderate or lower income households occupy assisted units. **Status: Ongoing.**
16. **Preservation of Assisted Housing Stock.** The City shall work with other governmental and non-profit organizations to utilize available resources in the preservation or replacement of existing affordable housing developments in Sebastopol wherever conversion to market rate rents would result in excessive rent burdens for moderate or lower income tenants. **Status: No issues have arisen; ongoing.**

17. **Illegal Unit Legalization.** The City shall create a program and set of regulations to provide standards for legalization of illegally constructed units provided public health and safety is preserved, and other appropriate requirements are addressed. This review should also consider provision of incentives for maintaining the affordability of these units. **Status: Provisions adopted in Zoning Ordinance to allow approval as second units.**
18. **Home Sharing.** The City shall consider changes to existing regulations, such as allowing two kitchens in single-family homes, to encourage home sharing. **Status: Considered and not enacted in Zoning Ordinance.**
19. **Rental Resources.** The City shall develop a renter resource guide describing available services, as well as tenant and landlord obligations. **Status: Handout created.**

C. Government Constraints

1. **Development Impact Fee Review.** The City shall review its current development impact fee program to confirm the appropriate level of impact fees to charge for multi-family residential units and second units based on the demand they create for public facilities and infrastructure. Where justified, the City should reduce fees for multi-family units, second units, co-housing, and self-help housing units to encourage their construction. The City shall consider reducing fees for lower-income housing on a sliding scale related to the level of affordability, consider fee reductions in return for voluntary affordability restrictions, and consider a fee structure for market-rate housing which adjusts fee amounts according the square footage of the unit or its valuation. **Status: Impact fees reviewed and updated periodically; review regarding potential reduced fees expected to occur in next Housing Element update.**
2. **Zoning Ordinance.** With respect to zoning, the City shall:
 - a. Modify current regulations in the Zoning Ordinance that require a Use Permit for second units to conform to State law, and to allow second units on non-residentially-zoned properties currently in residential use, and allowing a minimum square footage of 600 square feet for second units;
 - b. Develop standards and use allowances for transitional housing, and consider permitting it by right in those zones where multi-family uses are allowed;

- c. Review regulations to ensure that supportive housing and other group living situations with more than six units are able to be located with a minimum of regulatory barriers;
- d. Deed-restricted affordable housing projects shall be allowed a minimum density by-right in those zones where a Use Permit is required, provided a public hearing is conducted before the Planning Commission, and
- e. Eliminate requirement for affordable housing projects to occur only in mixed-use developments in non-residential zones.

Status: adopted in Zoning Ordinance.

- 3. **Emergency Shelters.** The City shall 1) make Zoning Ordinance language for this use consistent in the CD and CG zones; 2) allow this use by right in the CH zone, and 3) create operational and other standards for this use. **Status: Adopted in Zoning Ordinance.**

- 4. **Housing Density.** The City of Sebastopol shall increase the maximum density allowed in multi-family and non-residential zones as follows: RM-M zone, change density allowance from one unit per 4,000 sq. ft. of lot area to one unit per 2,900 sq. ft. of lot area; RM-H zone, change density allowance from one unit per 2,900 sq. ft. of lot area to one unit per 2,000 sq. ft.; O and CN zones, change density allowance from one unit per 3,600 sq. ft. of lot area to one unit per 2,900 sq. ft.; CG zone, change density allowance from one unit per 2,900 sq. ft. of lot area to one unit per 2,000 sq. ft.; CD zone, change density allowance from one unit per 1,452 sq. ft. of lot area to one unit per 1,000 sq. ft.; CH and M1 zones, change density allowance from one unit per 2,900 sq. ft. of lot area to one unit per 2,000 sq. ft. The Land Use Element of the General Plan shall be amended as necessary to achieve consistency with these allowances. **Status: Adopted in Zoning Ordinance.**

- 5. **Parking Requirements.** The City shall review and modify parking requirements, including the following specific changes: reduce the parking requirement for studio units; reduce the requirement for four bedroom or more units; reduce the requirement for senior and disabled housing; allowing uncovered residential parking to be located within three feet of side or rear property lines, identical to the allowed locations for a garage or carport; creation of parking standards for live-work units; reducing residential parking requirements in the downtown; consideration of changes to parking

space and driveway dimensional requirements; allowing a residential parking reduction for deed-restricted affordable housing units and eliminating the covered parking requirement for deed-restricted affordable units; creating a parking standard for homeless shelters; consider changing the parking requirement for single family homes on narrow or otherwise substandard lots to allow tandem parking, and consider allowing required parking in a portion of the required front yard setback by Use Permit. **Status: Adopted in Zoning Ordinance; reduced parking requirements for downtown area, and provision allowing conforming driveway parking to count towards parking requirements approved in 2008.**

6. **Permit Streamlining.** The City shall evaluate its development review procedures and consider Zoning Ordinance provisions for providing fast track permit procedures to encourage affordable housing projects. **Status: Processing conforms to requirements of State law which have streamlined processing; other special provisions to be considered in future if necessary.**
7. **Growth Management.** The City shall monitor the growth control program provisions to ensure that its provisions do not adversely affect the provision of affordable units. **Status: Ongoing.**
8. **Studio Apartments.** The City shall amend the Zoning Ordinance to allow pairs of studio apartments to be counted as one unit for purposes of calculating densities and fees. **Status: Adopted in Zoning Ordinance.**
9. **Size of Single Family Homes.** The market trend for much larger, more costly single family homes adversely affects affordability. The City shall consider incentives for the inclusion of small homes in all subdivisions such as reducing inclusionary fees for smaller homes, or reduced parking requirements. **Status: Requirements adopted in Zoning Ordinance.**
10. **RM-M and RM-H Setbacks.** The City shall simplify setback and building separation requirements in these multi-family zoning districts. Priority: 2. Implementation responsibility: Planning Department. Budget: No impact. **Status: Adopted in Zoning Ordinance.**
11. **Subdivision Ordinance Process.** To reduce processing time and costs, the City shall consider making the Planning Commission the final authority for subdivisions of four or fewer parcels. **Status: Preliminary research initiated in 2005, subdivision ordinance revisions initiated in 2008.**

12. **Building Permit Preference.** If issuance of building permits are otherwise restricted, the City shall give first preference to issuance of residential building permits each year for units affordable to households with very-low to low incomes as defined by HUD.
Status: No restrictions at this time; will monitor.
13. **Reasonable Accommodation.** The City shall amend its Municipal Code to provide individuals with disabilities reasonable accommodation in rules, policies, practices and procedures that may be necessary to ensure equal access to housing. The purpose of this is to provide a process for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws, rules, policies, practices and/or procedures of the City. The City shall amend the Zoning Ordinance to provide for appropriate administrative exceptions to development standards that may otherwise act as a constraint to the provision of housing for persons with disabilities, such as modification of setback provisions to accommodate a wheelchair ramp. **Status: Zoning Ordinance provisions adopted.**

D. Energy and Natural Resource Conservation

1. **Incentives for Construction That Exceeds Minimum Title 24 Standards.** The City shall study the feasibility of providing incentives for new and rehabilitation projects that exceed California Energy Efficiency Standards (Title 24). Incentives could include project permit processing expedition, plan check fast-tracking, and reduced fees.
Status: Design review for active solar streamlined 2003; active solar building permit fee incentives adopted 2004.
2. **Local Energy Standards.** The City shall review energy efficiency standards for new residential construction, as contained in Title 24 of the California Code of Regulations, periodically to identify opportunities for adopting standards that more closely respond to local conditions. For example, the City shall study the feasibility of requiring new residential development to consider opportunities for passive heating and cooling. If such studies are favorable, the City shall establish such programs. **Status: Mandatory green building requirement implemented 2004; water and energy-conservation requirements for new development and major remodels adopted in 2005; retrofit-upon-sale program to be considered in 2008.**
3. **Promotion of Energy Conservation Programs.** The City shall provide information about available energy conservation programs, such as the PG&E Comfort

Home/Energy Star new homes program, to interested property owners and developers. The City shall promote and help income-eligible households to access federal, state and utility income qualifying assistance programs. Some examples include the federal Low Income Home Energy Assistance Program Block Grant (LIHEAP) for home weatherization and the PG&E Energy Partners Program. **Status: Information provided by Building Department.**

4. **Design Guidelines.** The City shall develop design guidelines through amendments to the City's Zoning Ordinance, design guidelines, and the City's Subdivision Ordinance to increase the opportunity for passive solar energy and future use of renewable energy sources. These guidelines should address solar use, site development and building orientation for solar energy use and winds, orientation or provision of adequate structural support for solar collectors, appropriate trees for landscaping, and use of cogeneration facilities. **Status: Guidelines adopted 2004.**
5. **Landscaping Standards.** The City shall review and, if necessary, modify the landscaping standards and requirements contained in its Zoning Ordinance and design guidelines to ensure that they adequately support the use of climate-appropriate trees and landscaping to provide maximum shading for summer cooling and to allow for winter lighting and passive solar heating in new or renovated homes, and to minimize water use. **Status: Guidelines adopted 2004; provisions relating to active solar adopted in Zoning Ordinance update 2004.**
6. **Pavement Shading.** The City shall review and, if necessary, modify the landscaping standards and requirements contained in its Zoning Ordinance and design guidelines to ensure that they adequately support the use and placement of climate-appropriate trees for maximum shading of dark, heat absorbing pavements, such as asphalt streets and parking areas. **Status: Guidelines adopted 2004.**
7. **Roofing Materials.** The City shall encourage builders and property owners to use light-colored roofing materials. The City shall promote federal, state, and utility cool roof programs such as the California Energy Commission's Cool Savings Program. **Status: Building Department information available.**
8. **Solar Access.** The City shall consider creating a Solar Access Ordinance that states that no building permit shall be issued for any construction, if, when completed, it would interfere with solar access to the rooftop of any structure or to any preexisting active solar collector on nearby property. The Ordinance should also encourage the use

of solar easements to guarantee access. **Status: At this time, City not pursuing this concept.**

9. **Renewable Energy Systems.** The City shall promote existing federal, state and utility incentives for installation of renewable energy systems, such as rooftop photovoltaic systems, that are available to property owners, builders and developers such as the California Energy Commission's programs. **Status: City engaged in a variety of efforts to promote solar energy, including implementation of streamlined review process for rooftop systems, reduced fees, and general support for the highly successful efforts of Solar Sebastopol to promote photovoltaic systems.**
10. **10. Light-Colored Surfacing on Pavements.** The City shall consider the feasibility of revising street standards to encourage light-colored paving materials in new streets and resurfacing projects. New materials and techniques for paved roadways are being developed that reflect more sunlight and last longer than standard applications. Light-colored surfaces can reduce the impact of local neighborhood temperature increases from heat-absorbing pavement on home cooling energy needs. **Status: Not under consideration at this time.**
11. **Reduced Street Widths.** The City shall consider narrower streets in future street development to reduce the impact of local neighborhood temperature increases from heat-absorbing pavement on home cooling energy needs. Residential streets using the minimum pavement width and curb radii feasible without compromising safety reduce heat island effects on home cooling energy needs. **Status: Planned for review in Subdivision Ordinance update 2008.**
12. **Bicycle, Pedestrian and Transit Features.** The City shall review its development standards to determine if additional requirements or incentives should be provided to promote the inclusion of bicycle, pedestrian and transit features in new development projects. **Status: Design guidelines adopted 2004; Zoning Ordinance revisions adopted 2004, revised bicycle parking requirements adopted 2008; updated bicycle plan under consideration in 2008.**
13. **Recycling and Building Materials.** The City shall provide public informational materials concerning recycling practices for the construction industry, as well as use of recycled materials and other environmentally responsible materials in new construction. **Status: Information available at Building Department.**

14. **Residential Recycling.** The City shall consider policy and programmatic provisions to encourage waste stream recycling from residential and other uses. **Status:**
Information available at Building Department.

E. Equal Housing Opportunity

1. **Equal Housing Opportunity.** The City shall facilitate equal housing opportunity by continuing the designation of the City Manager as the City's Equal Opportunity Coordinator with responsibility to investigate and deal appropriately with complaints. Information regarding equal housing opportunity laws and the City's Equal Housing Opportunities Coordinator shall be prepared and distributed to the public at City Hall and at local social service centers and public transit providers. **Status: Handouts available; ongoing.**
2. **Nondiscrimination Clauses:** The City shall continue to provide nondiscrimination clauses in rental agreements and deed restrictions for housing constructed with either City or with Development Disposition Agreements and Owner Participant Agreements when Redevelopment Agency participation occurs. **Status: Ongoing.**
3. **Housing Anti-Discrimination.** The City shall consider contributions to, and provide referrals to organizations that provide housing anti-discrimination services. This program can provide assistance in response to housing discrimination complaints as well as mediation for tenant/landlord disputes. **Status: Handouts available; ongoing.**

F. Housing Policy Update

1. **Annual Report.** The City shall prepare an Annual Public Report to the State, City Council, and Planning Commission that describes the amount and type of housing activity tied to an updated summary of the City's housing objectives. **Status: Provided in annual Planning report.**
2. **Annual Housing Implementation Program Meeting.** The City shall conduct an annual joint meeting of the Planning Commission and City Council to focus on housing issues and to evaluate existing and potential housing programs. **Status:**

Information provided in annual Planning report provided to Council and Commission.

3. **Ad-Hoc Housing Program Implementation Committee.** The City Council shall create an ad-hoc housing programs committee including of a Council member, Planning Commissioner, the City Manager, two members of the public, and the Planning Director to review housing programs. **Status: Ad-hoc committee created to facilitate development of affordable housing projects on two sites purchased by City.**
4. **Housing Coordinator.** The City shall consider retaining the services of a housing coordinator consultant. **Status: Consultant retained to assist in developing two housing projects on City-purchased sites, and advise on other housing issues.**

Please contact me if you have any questions concerning this information.

Sincerely,



Kenyon Webster
Planning Director

Attachments:

Updated Housing Element Table II.4
Updated Housing Element Table IV.2

cc: City Council (w/o attachments)
City Manager (w/o attachments)
City Attorney (w/o attachments)

TABLE II.4 LIST OF SUBSIDIZED AND RESTRICTED AFFORDABLE HOUSING UNITS - CITY OF SEBASTOPOL 2008									
Name of Development	Year Built	Tenure	Sponsor	Address	# of Units ¹	Target Group(s) ²	Funding Source(s)	Expiration Date	Waiting List (Spring 2001)
SUBSIDIZED UNITS									
Bodega Hills	1997	Rental	Burbank Housing Devel. Corp (BHDC)	8131 Bodega Ave.	24	VL	LIHTC, CDBG, HOME, AHP	Not before 2050	120
Bodega Hills	1997	Ownership	BHDC	8131 Bodega Ave.	23	L		(3)	N/A ⁴
699 Gravenstein Hwy North	1987	Rental	BHDC	699 Gravenstein Hwy North	60	L, VL	CHFA	(3)	95
Burbank Orchards	1991	Rental	Sebastopol Area Housing Co. (SAHC)	7777 Bodega Ave	60	VL (Seniors and Handicapped)	HUD Section 202	2031	34
Burbank Heights	1975	Rental	SAHC	7777 Bodega Ave.	138	VL (Seniors)	HUD Section 236	2015	50
Bodega Ave. Townhomes	1993	Ownership	SAHC	8100 Bodega Ave.	16	4 VL, 8 L, 4 MOD			N/A ⁴
MARKET-RATE, INCLUSIONARY AND DENSITY BONUS UNITS									
Woodstone Village	1999	Ownership	Woodstone Builders	1149 and 1150 Village Way	21	1 MOD, 1 MED	N/A		
Two Acre Wood	1998	Ownership cohousing	Jewel Hill Housing Llc	712 Robinson Road	14	1 L, 2 MOD, 1 MED	N/A		
Montera	1997	Ownership	Montera	7857 Meadowlark Drive	14	1 MOD rental	N/A		
Vista del Sol	2000	Ownership	Schellinger Bros. Const.	7920 Soll Court	12	1 MOD (6+ occupants) rental	N/A		
Willow Tree Townhomes	2000	Rental	C. Pellascini	Bodega Ave./Nelson Way	11	1 MOD	N/A		

Piazza dela Mella	2001	Rental mixed-use	J. McNulty	1050 Grav. Hwy S (Unit #130)	8 units + retail/off.	1 MOD			
Bodega Heights	2001	Ownership condo conversion	C. Pellascini	8100 Bodega #116	13	2L			
Yturriaga	2004	Rental	M Yturriaga	890 McFarlane	1	1L			
952 Litchfield	2005	Rental second unit	Woodhouse	952 Litchfield	1				
276 West	2005	Rental second unit	VanHoorn	276 West	1				
999 Litchfield	2005	Rental second unit	Stuart	999 Litchfield	1				
Florence Lofts	2007 (a) ⁶	Ownership mixed-use	Steve Sheldon	7385 Healdsburg Ave	12	2 L + 0.4 Inc. fee			
501 S. Main	2006 (a) ⁷	Ownership	Frees Devel. Co.	501 South Main	10	1L (Live-work), 1L (SFD)			
510 Lyding Lane	2005	Rental second unit		510 Lyding Lane	1				
824 Gravenstein S	2006	Rental	Pelliscini	824 Gravenstein S.	4	0.8 Inc. fee			
156 Golden Ridge	2007	Ownership condo conversion	Michael	156 Golden Ridge	7	1 L + 0.4 Inc. fee			
Gravelle	2007	Ownership, second unit	Ben Gravelle	7710 Washington	1				
406 Pitt	2006	Rental mixed-use	Pelliscini	406 Pitt	2				
HOUSING PROJECTS CURRENTLY IN REVIEW OR APPROVED OR IN CONSTRUCTION (NOT COMPLETED)									
Laguna Vista	2003/06	Ownership, Rental	Schellinger Bros. Const.	Gravenstein Hwy S/Cotter	145	20 L, 10 VL rental			
Sollitto Mixed-Use	2004 (a) ⁵	Rental	R. Sollitto	333 North Main	6	1 L + 0.2 Inc. fee			
Petaluma Ave. Homes	Under constr	Rental cohousing	AHA	501 Petaluma Ave	45	10 L, 35 VL			

	uction	Ownership	Habitat						
Habitat for Humanity	Under constr uction	Ownership	Habitat	384 Johnson Street	2	2 VL			
Litchfield Subdiv.	Under constr uction	Ownership	Pinnacle	840/860 Litchfield Avenue	13	2 L (60% median income) + 0.6 Inc. fee			
Onorato	2005 (a) ⁸	Rental	J. Onorato	620 – 626 S. Main	6	1 VL		Date of contract execution + 59 years	
Sequoia Village	Under constr uction	Ownership cohousing	Burbank Hs.	7991 Covert Lane	20	15 L, 5M			
Hollyhock	2008	Ownership self-help	Burbank Hs.	961 Gravenstein S	34	34 L			
Gravenstein Mixed Use	2008	Ownership	Gravenstein Mixed Use	961 Gravenstein S	8	1 L, 0.6 Inc. fee			
7590 Washington Ave	2006	Ownership	Clarke	7590 Washington Ave	4	0.8 Inc. fee			
411 Flynn	2006	Ownership/Rental	Miller	411 Flynn	9	1 L + 0.2 rental			
885 Gravenstein N	2006	Ownership	Nordby	885 Gravenstein N	28	3 L SF, 2 L Live/work, + 0.6 Inc. fee			
Zimpher	2006	Ownership	Eileen Zimpher	791, 795 Norlee	3	0.6 Inc. fee			
Lyding Lane	Under constr uction	Ownership, mixed-use	Steve Sheldon	7770 Healdsburg	4	0.8 Inc. fee			
Cypress Heights	2007	Ownership	Drew	160 Pleasant Hill	14	3 L			

¹ Unless otherwise mentioned in the target group column, all units are price/rent restricted.

² Target Groups: VL = Very-low income, L = Low-income, MED = Median income, MOD = Moderate income

³ BHDC did not specify an expiration date for these projects, since it intends to maintain affordability on a continuous basis

⁴ BHDC reports that approximately 330 persons from Sebastopol are interested in affordable, for-sale housing.

⁵ This project was approved 11/18/04

⁶ This project was approved 8/3/04

⁷ This project was approved 12/7/04

⁸ This project was approved 12/16/03

Income groups: Very-low $\leq 50\%$ median income, Low = 51% - 80% median income, Median = 81% - 100% median income, Moderate = 101% - 120%.

Only legally-restricted units are listed as 'VL' 'L' or 'M', however some unrestricted units, such as second dwelling units and some other rental units may effectively function as affordable housing.

Annual Progress Report on Implementation of the Housing Element
Report Period: January 2007 – December 2008

Jurisdiction: City of Sebastopol **Address:** 714 Johnson Street, Sebastopol, CA 95472

Contact: Kenyon Webster, Planning Director

Phone: (707) 823-6167

	<i>Housing Needs (ABAG) 1999 – 2006</i>	<i>Progress Through 2006</i>	<i>Progress 2007¹</i>	<i>Balance of Need</i>	<i>Planned Housing As of May 2008²</i>	<i>Remaining Need to be Met Through New Construction</i>	<i>Rehabilitation Objectives</i>
Income Category							
Very Low	58		37	12	11	1	
Low	35	9	25	10	67	0	15 ³
Moderate	75	28	5	42	0	42	10
Subtotal	168	37	67	64	78	43	25
Affordable Units							
Above Moderate	106	111	0	0	196	0	
Total	274	185	67	64	274	43	

¹ Building Department issuance of building permits

² See revised Table II.4 (attached)

³ This goal is for both very low- and low- income rental units.

⁴ Affordable units created via condominium conversion are counted upon recordation of a deed restriction rather than at tentative map approval.